

**West 3rd Street
Business Improvement District
Management District Plan**

**For
A Property Based
Business Improvement District
West 3rd Street in Los Angeles**

January 2012

**Prepared By
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West 3rd Street
Business Improvement District
Los Angeles, California**

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Section 1

Management District Plan Summary

The name of the proposed Property-based Business Improvement District is the West 3rd Street Business Improvement District (the "District"). The District is being established pursuant to Section 36600 et seq. of the California Streets and Highways Code, The "Property and Business Improvement District Law of 1994 as amended", hereinafter referred to as State Law.

Developed by the West 3rd Street steering committee, the West 3rd Street Business Improvement District Management Plan is proposed to improve and convey special benefits to parcels located within the West 3rd Street District area. The District will provide continued improvements and activities, including clean services, destination marketing, administration and special projects. Each of the programs is designed to meet the goals of the District; to continue to establish W. 3rd Street as a unique commercial destination, to keep it competitive amongst two anchoring shopping malls, to improve pedestrian access, to increase building occupancy and lease rates, to encourage new small business development; and attract ancillary businesses and services for parcels within the District.

Boundary: See Section 2, Page 5 and map page 6.

Budget: The total District budget for the 2013 year of operation is approximately \$551,040.

Improvements, Activities, Services:

CLEAN AND BEAUTIFUL	\$267,340	49%
DESTINATION MARKETING	\$139,500	25%
ADMINISTRATION/SLOW PAY/CITY FEES	\$59,200	11%
Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works.		
SPECIAL PROJECTS	\$ 85,000	15%

Method of Financing: A levy of special assessments upon real property that receives special benefits from the improvements and activities. (See Section 4, for assessment methodology)

Benefit Zones: The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each parcel receives from the improvements. The West 3rd Street Business Improvement District has no separate benefit zones.

Cost: Annual assessments are based upon an allocation of program costs by a calculation of assessable footage. Three property assessment variables: street front footage, lot square footage, and building square footage, will be used in the calculation. 2013 year assessments per assessment variable will not exceed:

	Clean & Beautiful Budget	Marketing Budget	Admin & Special Project Budget
Parcel Ownership	<i>Street Front Footage Assessment</i>	<i>Lot Sq Ft Assessment</i>	<i>Building Sq Ft + Lot Sq Ft Assessment</i>
Non-Profit C-3 Religious Institution			\$ 0.0353
Non-Profit C-5 Trade Union	\$ 22.56		\$ 0.0353
For Profit Parcels	\$ 22.56	\$ 0.1615	\$ 0.0901

Cap: Annual assessment increases will not exceed 5% per year. Increases will be determined by the business improvement district Owners' Association and will vary between 0 and 5% in any given year.

District Formation: District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Duration: The District will have a 5-year life beginning January 1, 2013 and ending December 31, 2017.

Governance: The Owners' Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The Owners' Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

Section 2

West 3rd Street Business Improvement District Boundaries

Description (Also see map on page 6)

The proposed West 3rd Street Business Improvement District area contains all property within the following boundary description: Beginning on the northeast corner of West 3rd Street and La Cienega Boulevard go west along northern property line of parcel 5511-013-021. Continue west along the north property line of parcels facing West 3rd St. along the alley immediately north of West 3rd Street until parcel 5511-026-004 at Fairfax Avenue. Continue south on Fairfax across West 3rd Street along the eastern property line of parcel 5511-027-028. Continue west along the southern property line of parcel 5511-027-028, along Blackburn Avenue. Then continue north along the western property line of 5511-027-028 to the alley immediately south of West 3rd Street. Turn west at the along the southern property lines of parcels facing West 3rd Street along the alley immediately south of West 3rd Street. Turn north at La Cienega Boulevard along the western property line of parcel 5511-032-053. Continue north across West 3rd Street to the starting point and northern property line of parcel 5511-013-021.

District Boundary Rationale

The property uses within the general boundaries of the West 3rd Street Business Improvement District are primarily commercial uses. Services and improvements provided by the District are primarily designed to provide special benefits to the commercial properties. All of the services provided by the District are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the individual assessed parcels within the District. Each assessed property, that is not held in non-profit ownership, within the District receives special benefits and is assessed regardless of property use. Non-profit held property receives a different level of special benefits, see Section 4 page 12. District services provide the benefit of increased pedestrian traffic, which in turn increases the economic return to the property. Pedestrian traffic is considered to be potential customers who will become the target audience for future patronage of commercial establishments and services, and the renting of space in commercial buildings.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, clean services personnel, and similar service providers employed in connection with the District will only provide services to each individual assessed parcel within the District, and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

Northern Boundary: The northern boundary of the West 3rd Street Business Improvement District is the alley adjacent to parcels fronting West 3rd Street. The parcels north of the District boundaries are zoned residential, rather than the commercial zoned parcels within the district to the south. Parcels zoned residential will not benefit from the District programs that are designed to provide special benefits to commercial uses. In order to ensure that parcels outside of the District will not specially

benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Eastern Boundary: The eastern boundary of the West 3rd Street Business Improvement District is the west side of Fairfax Avenue. This boundary was chosen because of the existence of the Grove Mall and the Farmers Market on the east side of Fairfax. The Grove and Farmers Market, east of Fairfax Avenue, directly competes with W. 3rd Street for the same potential customers. The Grove and the Farmers Market are self-contained, commercial facilities that currently provide services similar to those that will be provided by the District. They will not specially benefit from the unique improvements and services funded with the assessment. Improvements and services will only be provided to individual parcels within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Southern Boundary: The southern boundary of the West 3rd Street Business Improvement District is the alley adjacent to parcels fronting West 3rd Street. The parcels south of the District boundaries are zoned residential, rather than the commercial zoned parcels within the district to the north. Parcels zoned residential will not benefit from the District programs that are designed to provide special benefits to commercial uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Western Boundary: The western boundary of the West 3rd Street Business Improvement District is the east side of La Cienega Boulevard. This boundary was chosen because of the existence of the Beverly Center Mall across the street. The Beverly Center, west of La Cienega, directly competes with W. 3rd Street for the same potential customers. The Beverly Center is a self-contained, commercial facility that currently provides services similar to those that will be provided by the District. The Center on the west side of La Cienega will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Section 3

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan

Through a positive property and business owner survey campaign, and a series of property owner meetings, and a series of steering committee meetings a feasibility report was produced that determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were: clean services, marketing, parking, streetscape improvements and administration. All of the services provided such as the sidewalk clean services work provided by the clean team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of their unique nature focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the individual assessed parcels within the District.

All of the improvements and activities detailed below are provided only to properties defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the properties within the proposed District. No improvement or activities are provided to properties outside the District boundaries. All assessments outlined in this Management District Plan go only for services directly benefiting each of the property owners in this specialized zone. Inasmuch as all services will be provided to the properties defined as being within the District boundaries and no services will be provided outside the District boundaries and each of the services: clean and beautiful, destination marketing, special projects, and administration are unique to the District and to each of the Districts properties all benefits provided are particular and distinct to each property.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the individual assessed parcels, property and business owners within this area and support increased commerce, business attraction and retention, increased property rental income and enhanced overall safety and image within this commercial core. All services, projects, promotions, sidewalk clean services and professional/administration services are provided solely to properties within the district to enhance the image and viability of properties and businesses within the West 3rd Street Business Improvement District boundaries and are designed only for the direct special benefit of the assessed commercially zoned properties in the District. No services will be provided to non-individual assessed parcels outside the District boundaries. (For a further definition of special benefits see Engineer's Report page 8 "Special Benefit")

The total improvement and activity plan budget for 2013, which is funded by property assessments, is projected at \$551,040. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services to other business improvement districts within the City of Los Angeles. Actual service hours and frequency may vary in order to match varying District needs over the 5 year life of the District. A detailed operation deployment for 2013 is available from the property owners association. The budget is made up of the following components.

CLEAN AND BEAUTIFUL PROGRAMS

\$267,340

49%

District Clean Services Program

In order to consistently deal with clean issues, a multi-dimensional approach has been developed consisting of the following elements. The clean team will only provide service to properties within District boundaries. Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel will pressure wash the sidewalks on a scheduled and uniform basis. Paper signs and handbills that are scotch taped or glued on property, utility boxes, poles and telephones are removed. Illegal signage within the District will be reported to the appropriate City department and if authorized to do so will be removed by District personnel. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles.

Graffiti Removal: Painters remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.

Weed Abatement: Weeds are removed as they become unsightly.

Special Collections: District trucks are often called to assist LAPD to dispose of illegal food vendors' inventory. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.

DESTINATION MARKETING

\$139,500

25%

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The special benefit to District parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Some of the communication/economic development programs being considered are:

- Image and Communication programs, newsletters, website development to support local businesses, and District programs.
- Public and Media Relations.
- Banners.

ADMINISTRATION/SLOW PAY/CITY FEES

\$59,200

11%

The improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the District's services which are delivered seven days a week. Administration staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

SPECIAL PROJECTS

\$85,000

15%

The Special Projects budget is reserved for opportunities and additional projects that present themselves during the life of the District. All special projects are designed to enhance the assets and the image of the District. Special project funds will only be used to specially benefit parcels within the District. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Examples of some of the special projects being considered are:

- Valet parking
- Wayfinding signage

FIVE YEAR OPERATING BUDGET

A projected five-year operating budget for the West 3rd Street Business Improvement District is provided below. The projections are based upon the following assumptions.

Assessments will be subject to annual increases not to exceed 5% per year. Increases will be determined by the District Owners Association and will vary between 0 and 5% in any given year. The projections below illustrate a maximum 5% annual increase for all budget items.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The owners association shall have the right to reallocate up to 10% of the budget allocation by line item within the budgeted categories. The overall budget shall remain consistent with this Management District Plan.

	2013	2014	2015	2016	2017
Clean & Beautiful	\$ 267,340	\$ 280,707	\$ 294,742	\$ 309,479	\$ 324,953
Destination Marketing	\$ 139,500	\$ 146,475	\$ 153,799	\$ 161,489	\$ 169,563
Special Projects	\$ 85,000	\$ 89,250	\$ 93,713	\$ 98,398	\$ 103,318
Administration	\$ 59,200	\$ 62,160	\$ 65,268	\$ 68,531	\$ 71,958
TOTAL	\$ 551,040	\$ 578,592	\$ 607,522	\$ 637,898	\$ 669,793

***Assumes 5% yearly increase on all budget items.** Note: Any accrued interest or delinquent payments will be expended in the above categories.

Section 4

Assessment Methodology

In order to ascertain the correct assessment methodology to equitably apply special benefits to each individual assessed parcel for property related services as proposed to be provided by the West 3rd Street Business Improvement District, benefit will be measured by parcel street frontage lot square footage and gross building square footage. Special circumstances such as a parcel's location within the District area and need and/or frequency for services are carefully reviewed relative to the specific and distinct type of programs and improvements to be provided by the District in order to determine the appropriate levels of assessment or percentage values to be assigned to each type of assessment variable. (For a definition of special benefits see Engineer's Report page 9 "Special Benefit")

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the West 3rd Street District are Parcel Street Front Footage, lot square footage and gross building square footage.

Street front footage is relevant to the street level usage of a parcel. Parcels are assessed for all street frontages. Parcels with more than one street frontage such as corner lots or whole block parcels are assessed for the sum of all the parcels' street frontage, therefore services extend to side streets. The Clean and Beautiful budget is assessed to street front footage as services are delivered to the street level of a parcel. Lot square footage is relevant to the best use of a property and will reflect the long-term special benefit implications of the improvement district. Marketing is assessed to lot square footage. Building square footage is relevant to the interim use of a property and is utilized to measure short and mid-term special benefit. Administration, and Special Projects budgets are assessed to the total of lot square footage and building square footage for each individual assessed parcel..

Street Front Footage Defined. Street Front Footage is defined as the front footage of a parcel that fronts a public street.

Gross building square footage is determined by the outside measurements of a building.

Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps.

Non-Profit Assessments

The District currently contains parcels held by two types of non-profit organizations

IRS C-3 Religious Institution Non-Profit Parcels

Parcels within the District that are held by IRS approved C-3 non-profit religious organizations are not currently assessed real estate taxes. These parcels will only receive special benefit from the services provided through the administration portion of the budget and will only be assessed for their share of the administration budget. These parcels are not commercial in use and will not receive special benefit from the clean, beautiful, marketing or special project programs which are designed to provide special benefit to commercial parcels.

IRS C-5 Trade Union Organization Non-Profit Parcels

Parcels within the District that are held by IRS approved C-5 non-profit trade union organizations are currently assessed real estate taxes. While not commercial in nature these parcels have a substantial number of employees that come and go on a daily basis. They also have union members that attend training classes and conduct research at the site. These parcels receive special benefit from the clean and beautiful program as well as the administration program and will be assessed their share of the clean and beautiful and administration budget. These parcels do not receive special benefit from the marketing and special projects programs which are designed to provide special benefit to commercial parcels.

Calculation of Assessments

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of benefit provided by the services. The proposed services are narrowly defined to confer a particular and distinct benefit to the parcels within the district. The services do not confer general benefits on the community as a whole, like general City services. Each of the parcels in the district participates in the tangible benefits from the parcel-specific clean services, marketing and special project programs. Due to the proportionate special benefits received by these parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received. Only special benefits are assessable and these benefits must be separated from any general benefits.

The preceding methodology is applied to a database that has been constructed by District Property Owners and its consultant team. The process for compiling the property database includes the following steps:

- Property data was first obtained from the County of Los Angeles Assessor's Office.
- A database was submitted to the City Clerk's office for verification.
- A list of properties to be included within the District is provided in Section 7.

Total Assessable Footage within the District:

Land Use	Front Footage	Lot Sq. Ft.	Bldg Sq. Ft.
Commercial	11,525	863,553	688,062
Non-profit C-3	287	19,950	12,274
Non-profit C-5	325	21,218	70,539

Budget Item	2013 Total	For Profit Budget	C-5 Non Profit	C-3 Non Profit
Total Clean and Beautiful	\$ 267,340	\$ 260,008	\$ 7,332	\$0.00
Destination Marketing	\$ 139,500	\$ 139,500	\$ -	\$0.00
Special Projects	\$ 85,000	\$ 85,000	\$ -	\$0.00
Administration/slow pay/city fees	\$ 59,200	\$ 54,820	\$ 3,242	\$ 1,138
Total Budget all items	\$ 551,040	\$ 539,328	\$ 10,574	\$ 1,138

100% of the Clean and Beautiful budget is assessed to Street Front Footage, 100% of the Marketing budget is assessed to Lot Square Footage and 100% of the Special Projects and Administration

budgets are assessed to Lot Square Footage + Building Square Footage. To determine the assessment rate for an individual parcel, the front footage rate is calculated by dividing the Clean and Beautiful budget by the total front footage, the lot square footage rate is calculated by dividing the Marketing budget by the total lot square footage, and the building square footage + lot square footage rate is calculated by dividing the Administration and Special Projects budget by the total building square footage + the total lot square footage. For example:

For profit Clean and Beautiful Budget \$260,008 / For profit front footage 11,525 = front foot assessment rate of \$22.56

Based upon the methodology as set forth above, first year assessments are established as follows:
Assessments per foot for each Assessment variable:

	Clean & Beautiful Budget	Marketing Budget	Admin & Special Project Budget
Parcel Ownership	Street Front Footage Assessment	Lot Sq Ft Assessment	Building Sq Ft + Lot Sq Ft Assessment
Non-Profit C-3 Religious Institution			\$ 0.0353
Non-Profit C-5 Trade Union	\$ 22.56		\$ 0.0353
For Profit Parcels	\$ 22.56	\$ 0.1615	\$ 0.0901

Parcel Calculation Formula:

Total Street Front Footage X Appropriate Assessment Rate = Parcel Street Footage Assessment

Total Lot Square Footage X Appropriate Assessment Rate = Parcel Lot Square Footage Assessment

Total Building Square Footage + Lot Square Footage X Appropriate Assessment Rate = Parcel

Building Square Footage + Lot Square Footage Assessment

Calculation Example:

A For Profit Parcel has 50 feet of front footage on W. 3rd Street. And 5,000 square feet of lot, and 9,000 square feet of building.

Street front footage 50 linear feet X \$22.56 = \$1,128.00

Lot square footage 5,000 sq. feet X \$0.1615 = \$807.50

Building square footage + Lot square footage 14,000 sq. feet x \$0.0901 = \$1,261.40

Total Parcel assessment = \$3,196.90

Maximum Annual Assessment Adjustments

Assessments will be subject to annual increases not to exceed 5% per year. Increases will be determined by the District Owners Association and will vary between 0 and 5% in any given year. The projections below illustrate a maximum 5% annual increase for all budget items.

Maximum Assessment Table

	2013	2014	2015	2016	2017
Non Profit C-3 Front Footage	\$ -	\$ -	\$ -	\$ -	\$ -
Non Profit C-3 Lot Square Footage	\$ -	\$ -	\$ -	\$ -	\$ -
Non Profit C-3 Building Sq Footage + Lot Sq Footage	\$ 0.0353	\$ 0.0371	\$ 0.0390	\$ 0.0409	\$ 0.0429
Non Profit C-5 Front Footage	\$ 22.5603	\$ 23.6884	\$ 24.8728	\$ 26.1164	\$ 27.4222
Non Profit C-5 Lot Square Ft	\$ -	\$ -	\$ -	\$ -	\$ -
Non Profit C-5 Building Sq Footage + Lot Sq Footage	\$ 0.0353	\$ 0.0371	\$ 0.0390	\$ 0.0409	\$ 0.0429
For Profit Front Footage	\$ 22.5603	\$ 23.6884	\$ 24.8728	\$ 26.1164	\$ 27.4222
For Profit Lot Square Footage	\$ 0.1615	\$ 0.1696	\$ 0.1781	\$ 0.1870	\$ 0.1964
For Profit Building Sq Footage + Lot Sq Footage	\$ 0.0901	\$ 0.0946	\$ 0.0993	\$ 0.1043	\$ 0.1095

Budget Adjustments

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses that are carried forward.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable commercial footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes.

Future Changes to Profit or Non-Profit Status

Parcels that change from being held as non-profit to held as for profit or change from for profit to non-profit will be assessed according to their new ownership status. District parcels will be analyzed annually for changes in ownership type.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds for appeal and filed with the Owners Association prior to April 1 of each year. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case appeals will only be considered for the current year and will not be considered for prior years.

Time and Manner for Collecting Assessments

As provided by State law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office will direct bill any property owners whose special assessment does not appear on the tax rolls.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

Disestablishment

California State Law Section 36670 provides for the disestablishment of a District. Upon the termination of this District any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660 (b). Unexpended funds will be returned to property owners based upon each parcels percentage contribution to the total year 2017 assessments if the District is not renewed.

Government Assessments

The West 3rd Street Business Improvement District contains no government owned parcels.

Assessment of Possessory Interests

Owners of possessory interest in real property within the district are owners of real property and benefit from the proposed improvements and activities. As it relates to owners of possessory interest, the assessment for the proposed district shall be levied on these owners only where no underlying assessment is levied. The assessment shall be determined on the same basis as the assessment calculation for all other owners within the same tier, an assessment that would be equal to the assessment that would have been levied on the underlying property owner. This assessment represents the special benefit from the proposed activities and improvements.

The assessments shall be collected at the same time and in the same manner as for the possessory interest tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the possessory interest tax.

Section 5

District Rules and Regulations

Pursuant to the Property and Business Improvement law of 1994, as amended, a business improvement district may establish rules and regulations that uniquely apply to the District. The District has adopted the following rules:

- **Competitive Procurement Process**

The Owner's Association shall develop a policy for competitive bidding when purchasing substantial amounts of services, products and/or equipment. The policy will aim to maximize service, quality, efficiency and cost effectiveness.

- **Treatment of Residential Housing**

In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed. The District does not contain parcels that are zoned solely for residential use.

- **Renewal**

District funds may be used for renewing the District.

- **Bonds**

The Owners' Association will not issue bonds to finance any services or improvements in the District.

Section 6

Implementation Timetable

The West 3rd Street Business Improvement District is expected to be established and begin implementation of the Management District Plan on January 1, 2013. Consistent with State law the West 3rd Street Business Improvement District will have a five-year life through December 31, 2017.

Section 7 Parcel Roll

APN	Site Address	Total FF	Lot SF	Building SF	2013 Assessment	%
5511-013-017	8445 W 3RD ST	46	4,966	2,495	\$ 2,512.32	0.46%
5511-013-021	8487 W 3RD ST	587	78,581	70,056	\$ 39,331.07	7.14%
5511-013-058	8435 W 3RD ST	230	11,530	5,760	\$ 8,609.50	1.56%
5511-014-016	8425 W 3RD ST # 200	198	8,800	21,624	\$ 8,630.09	1.57%
5511-014-017	8417 W 3RD ST	44	4,312	2,067	\$ 2,264.05	0.41%
5511-014-018	8411 W 3RD ST	44	4,312	2,099	\$ 2,266.93	0.41%
5511-014-019	8401 W 3RD ST	196	8,712	4,839	\$ 7,050.29	1.28%
5511-015-015	8379 W 3RD ST	206	10,934	6,889	\$ 8,019.80	1.46%
5511-015-016	8373 W 3RD ST	50	5,401	3,311	\$ 2,785.56	0.51%
5511-015-017	8361 W 3RD ST	202	10,934	8,159	\$ 8,044.00	1.46%
5511-016-015	8357 W 3RD ST	184	8,538	3,502	\$ 6,615.30	1.20%
5511-016-016	8339 W 3RD ST	287	19,950	12,274	\$ 1,138.50	0.21%
5511-017-015	8317 W 3RD ST	210	11,550	8,487	\$ 8,409.06	1.53%
5511-017-017	8301 W 3RD ST	154	5,663	4,106	\$ 5,269.41	0.96%
5511-017-019	8309 W 3RD ST	112	11,208	8,904	\$ 6,149.66	1.12%
5511-018-020	8231 W 3RD ST	253	17,119	11,106	\$ 11,016.62	2.00%
5511-018-022	8253 W 3RD ST	211	10,977	5,462	\$ 8,014.83	1.45%
5511-019-025	8207 W 3RD ST	50	5,489	9,984	\$ 3,409.03	0.62%
5511-019-034	8211 W 3RD ST	50	5,358	4,450	\$ 2,877.38	0.52%
5511-019-035	8203 W 3RD ST	25	2,657	3,049	\$ 1,507.41	0.27%
5511-019-036	8201 W 3RD ST	143	3,703	2,844	\$ 4,414.28	0.80%
5511-019-038	8213 W 3RD ST	200	9,718	7,237	\$ 7,609.79	1.38%
5511-020-027	8161 W 3RD ST	31	2,744	1,573	\$ 1,531.66	0.28%
5511-020-029	8167 W 3RD ST	260	17,013	15,091	\$ 11,506.97	2.09%
5511-020-030	8151 W 3RD ST	185	8,586	2,985	\$ 6,603.35	1.20%
5511-021-023	8125 W 3RD ST	157	5,924	2,442	\$ 5,252.83	0.95%
5511-021-024	8121 W 3RD ST	25	2,744	1,125	\$ 1,355.92	0.25%
5511-021-025	8115 W 3RD ST	50	5,489	9,376	\$ 3,354.24	0.61%
5511-021-026	8113 W 3RD ST	25	2,744	1,440	\$ 1,384.31	0.25%
5511-021-029	163 S CRESCENT HEIGHTS BLVD	147	2,875	5,262	\$ 4,514.05	0.82%
5511-021-030	8105 W 3RD ST	75	8,233	4,049	\$ 4,128.76	0.75%
5511-022-016	8055 W 3RD ST	245	13,504	6,440	\$ 9,505.95	1.73%
5511-022-032	8075 W 3RD ST	253	12,798	33,925	\$ 11,985.50	2.18%
5511-023-036	8001 W 3RD ST	485	27,573	5,000	\$ 18,331.19	3.33%
5511-026-001	7961 W 3RD ST	157	5,489	7,232	\$ 5,575.00	1.01%

5511-026-004		251	15,750	-	\$ 9,626.20	1.75%
5511-026-005		126	13,810	-	\$ 6,317.95	1.15%
5511-026-006	7933 W 3RD ST	258	28,020		\$ 12,871.92	2.34%
5511-026-007	7955 W 3RD ST	50	5,319	4,744	\$ 2,894.06	0.53%
5511-027-010	300 S EDINBURGH AVE	162	6,708	6,581	\$ 5,935.90	1.08%
5511-027-011	7956 W 3RD ST	40	4,400	4,040	\$ 2,373.75	0.43%
5511-027-012	7952 W 3RD ST	40	4,400	4,725	\$ 2,435.47	0.44%
5511-027-013	7948 W 3RD ST	40	4,400	2,078	\$ 2,196.95	0.40%
5511-027-014	7944 W 3RD ST	40	4,400	3,200	\$ 2,298.05	0.42%
5511-027-015	7934 W 3RD ST	80	8,799	6,400	\$ 4,595.85	0.83%
5511-027-016	7930 W 3RD ST	40	4,400	2,600	\$ 2,243.98	0.41%
5511-027-025	7922 W 3RD ST	175	20,691	14,314	\$ 10,444.91	1.90%
5511-027-028	7000 W 3RD ST	325	21,218	70,539	\$ 10,573.95	1.92%
5511-028-012	8048 W 3RD ST	202	8,799	9,960	\$ 7,669.01	1.39%
5511-028-013	8044 W 3RD ST	40	4,400	1,760	\$ 2,168.29	0.39%
5511-028-014	8040 W 3RD ST	40	4,400	1,880	\$ 2,179.10	0.40%
5511-028-018	8032 W 3RD ST	40	4,400	3,156	\$ 2,294.09	0.42%
5511-028-021	8020 W 3RD ST	40	4,400	3,738	\$ 2,346.53	0.43%
5511-028-023	8012 W 3RD ST	40	4,400	3,120	\$ 2,290.84	0.42%
5511-028-024	8008 W 3RD ST	40	4,400	3,322	\$ 2,309.05	0.42%
5511-028-025	8000 W 3RD ST	203	8,668	2,964	\$ 7,028.18	1.28%
5511-028-027	8016 W 3RD ST	40	4,400	2,701	\$ 2,253.09	0.41%
5511-028-029	8026 W 3RD ST	80	8,799	5,420	\$ 4,507.54	0.82%
5511-028-030	8038 W 3RD ST	40	4,400	2,205	\$ 2,208.39	0.40%
5511-029-014	8166 W 3RD ST	209	9,950	5,552	\$ 7,719.37	1.40%
5511-029-015	8164 W 3RD ST	43	4,400	2,896	\$ 2,338.34	0.42%
5511-029-016	8136 W 3RD ST	80	8,799	5,780	\$ 4,539.98	0.82%
5511-029-017	8132 W 3RD ST	40	4,400	3,200	\$ 2,298.05	0.42%
5511-029-018	8128 W 3RD ST	43	4,400	3,200	\$ 2,365.73	0.43%
5511-029-021	8116 W 3RD ST	43	4,400	3,400	\$ 2,383.76	0.43%
5511-029-022	8112 W 3RD ST	43	4,400	4,656	\$ 2,496.94	0.45%
5511-029-032	8124 W 3RD ST	80	8,581	9,665	\$ 4,835.21	0.88%
5511-029-035	8100 W 3RD ST	248	13,399	8,275	\$ 9,712.56	1.76%
5511-030-018	8234 W 3RD ST	46	4,400	2,400	\$ 2,361.32	0.43%
5511-030-023	8218 W 3RD ST	40	4,400	1,842	\$ 2,175.68	0.39%
5511-030-024	8216 W 3RD ST	40	4,400	3,520	\$ 2,326.89	0.42%
5511-030-025	8210 W 3RD ST	40	4,400	2,028	\$ 2,192.44	0.40%
5511-030-026	8200 W 3RD ST	194	10,200	5,360	\$ 7,426.58	1.35%
5511-030-027	8222 W 3RD ST	43	4,400	2,785	\$ 2,328.34	0.42%
5511-030-032	8226 W 3RD ST	40	4,269	3,400	\$ 2,283.11	0.41%
5511-030-033	8228 W 3RD ST	40	4,278	5,099	\$ 2,438.47	0.44%
5511-030-035	8242 W 3RD ST	80	8,560	9,702	\$ 4,833.26	0.88%

5511-030-036	8250 W 3RD ST	229	13,608	9,612	\$ 9,456.99	1.72%
5511-031-022	8370 W 3RD ST	43	4,400	2,936	\$ 2,341.94	0.43%
5511-031-023	8366 W 3RD ST	40	4,400	2,000	\$ 2,189.92	0.40%
5511-031-024	8362 W 3RD ST	40	4,400	3,624	\$ 2,336.26	0.42%
5511-031-028	8346 W 3RD ST	43	4,400	2,269	\$ 2,281.84	0.41%
5511-031-029	8344 W 3RD ST	40	4,400	4,720	\$ 2,435.02	0.44%
5511-031-030	8338 W 3RD ST	40	4,400	4,360	\$ 2,402.58	0.44%
5511-031-031	8334 W 3RD ST	40	4,400	3,680	\$ 2,341.31	0.42%
5511-031-035	8318 W 3RD ST	40	4,400	2,200	\$ 2,207.94	0.40%
5511-031-036	8314 W 3RD ST	40	4,400	2,650	\$ 2,248.49	0.41%
5511-031-037	8310 W 3RD ST	40	4,400	2,980	\$ 2,278.23	0.41%
5511-031-038	8304 W 3RD ST	45	4,966	2,250	\$ 2,467.68	0.45%
5511-031-039	8300 W 3RD ST	155	4,966	3,330	\$ 5,046.64	0.92%
5511-031-043	8330 W 3RD ST	120	13,199	10,160	\$ 6,944.37	1.26%
5511-031-044	8358 W 3RD ST	43	4,400	2,424	\$ 2,295.81	0.42%
5511-031-045	8350 W 3RD ST	80	8,581	5,280	\$ 4,440.07	0.81%
5511-031-049	8378 W 3RD ST	291	18,613	56,136	\$ 16,307.65	2.96%
5511-032-028	8486 W 3RD ST	40	4,400	2,800	\$ 2,262.01	0.41%
5511-032-029	8480 W 3RD ST	43	4,400	2,800	\$ 2,329.69	0.42%
5511-032-037	8450 W 3RD ST	43	4,400	3,520	\$ 2,394.57	0.43%
5511-032-038	8446 W 3RD ST	43	4,400	2,940	\$ 2,342.30	0.43%
5511-032-040	8430 W 3RD ST	43	4,400	2,400	\$ 2,293.64	0.42%
5511-032-041	8426 W 3RD ST	40	4,400	2,400	\$ 2,225.96	0.40%
5511-032-042	8422 W 3RD ST	40	4,400	2,400	\$ 2,225.96	0.40%
5511-032-043	8418 W 3RD ST	40	4,400	4,840	\$ 2,445.84	0.44%
5511-032-044	8412 W 3RD ST	40	4,400	2,800	\$ 2,262.01	0.41%
5511-032-045	8408 W 3RD ST	40	4,400	3,752	\$ 2,347.79	0.43%
5511-032-046	8400 W 3RD ST	195	9,365	7,430	\$ 7,425.54	1.35%
5511-032-053		200	8,799	1,125	\$ 6,827.75	1.24%
5511-032-058	8436 W 3RD ST # 900	120	12,840	46,617	\$ 10,139.25	1.84%
5511-032-060	8474 W 3RD ST	240	25,439	17,589	\$ 13,401.30	2.43%
	Total All Assessments				\$ 551,040.00	100.00%